

Introduction: Treasury's Strategic Management Process

Planning, Budgeting, and Reporting

Treasury has implemented an integrated strategic management process to guide our operations and improve our performance. This process consists of a disciplined effort to accomplish the following:

- Set strategic goals and priorities for the long-term;
- Set annual performance targets;
- Manage and budget to achieve those targets; and,
- Systematically report on annual performance.

Although this process fully complies with both the letter and spirit of the Government Performance and Results Act of 1993 (Results Act), it is principally intended to help the Department improve its mission accomplishment. Program management and accountability will focus on outcomes and programmatic results, not inputs and processes. The strategic management process will inform managers, employees, and stakeholders of the purposes of programs, the means to achieve the purposes, and progress toward achieving the purposes.

Set strategic goals and priorities for the long-term. This Treasury strategic plan sets goals, objectives, strategies, and priorities to guide the Department as a whole. It also forms the baseline for the development of component strategic and annual plans. Each bureau and select program offices within Treasury has developed subsidiary strategic plans that provide additional detail on how the Department will achieve its goals. Collectively, the Department-wide plan and the subsidiary plans provide the detailed strategic road map required by the Results Act.

As with all other government agencies, Treasury operates in domestic and international economic, social and political environments that are constantly changing. These changes will affect the Department's ability to meet its goals and objectives. As a result, the Departmental strategic plan and component plans all include descriptions of the external factors that may impact on Treasury's ability to achieve its goals.

Set annual performance targets. Treasury has formatted its budget submission to serve as both a budget request and as the Results Act performance plan. The performance goals included in the budget submission serve to justify the resource request (i.e., they detail what our Nation will receive in return for its investment in our programs). The performance goals and targets presented in the budget justification are derived from the strategic goals presented in the strategic plan. Treasury continues to work to improve the quality and usefulness of its performance measures.

Manage and budget to achieve those targets. Treasury's annual budget submission is built around the goals and strategies of its strategic plan. In essence, the budget request is an annual implementation plan for the strategic plan. Accordingly, Treasury managers are expected to be guided by the strategic thinking of the Department as they make the day-to-day management decisions that drive our programs. The Department and individual bureaus track progress in implementing strategies and achieving performance targets during the year and makes adjustments as needed to maximize performance.

Systematically report on annual performance. Treasury's annual budget submission also includes the annual performance report required by the Results Act. Each year, actual performance is compared to the targets published at the start of the year, and explanations are provided to explain differences between planned and actual levels. In addition, the Department presents a separate narrative report on achievement of Treasury's strategic objectives.

**DEPARTMENT OF THE TREASURY
FY 2000 – FY 2005 STRATEGIC PLAN**

Linking General Goals and Objectives to Annual Performance Goals

The success of Treasury's strategic management process is dependent on strategic thinking driving resource and other management decision-making. For this reason, Treasury has emphasized making explicit the link between general goals and objectives in its strategic plan and the annual performance goals in the budget/annual performance plan (as previously described). Throughout this strategic plan, specific bureau/component strategic goals that support the Treasury objectives are identified. In addition, each component strategic plan includes a table that shows the direct linkage between the component's strategic goals and objectives and their annual performance goals. Collectively, these show the relationships between the high-level, long-range goals in the Treasury-wide strategic plan and the tactical performance goals included in the budget/performance plans.